

NEW SOUTH WALES.

BUSINESS STATISTICS - MONTHLY DIGEST.

5th May, 1941.

CONTENTS.

I. BUSINESS STATISTICS - MONTHLY DIGEST.

II. NOTES ON THE WORLD WHEAT SITUATION.

World Production, 1940-41.

Statistical Position - Broomhall's forecast of world shipments, 1940-41.

Prospects, 1941-42.

National Wheat Policies - Canadian Plan to reduce acreage under wheat.

Storage facilities increased. Vitaminised flour

Prices - Up in Chicago. Firm in London.

Local Trade quiet. Prices unchanged.

MONTHLY DIGEST OF BUSINESS STATISTICS.

MAY, 1941.

General. In recent economic developments efforts to expand the war effort to the utmost are paramount. Inter related problems of labour, industrial organisation, consumption, exchange and war finance are being approached in the light of Australia's urgent need of self-sufficiency in vital war production and the changes dictated by circumstances requiring lessened dependence upon income from exports and oversea supplies. A Parliamentary Committee is examining man power and the organisation of war industries. Technical training has been expanded. More restrictions upon non-sterling imports and in the use of petrol, and control of the manufacture of tobacco have been applied. Diversion of resources to war ends is the object of curtailment of civilian public works and closer control of private building. A public enquiry into cash order trading may portend restriction of consumer credit purchases. The policy of cheap and easy money (for essentials) has been successfully applied and conditions were favourable for the £35 million Commonwealth Loan opened on April 30.

New South Wales State elections are to be held on May 10. The major parties are pledged to maximum support of the war effort.

Employment. The number of persons in employment in New South Wales is increasing month by month and was 903,835 in March, 1941. This was within 3,500 of the seasonal peak in December, 1940, 7,990 more than in February, 1941 and 38,144 more than in March, 1940. During the war period there has been an increase of 73,029, of which 40,500 occurred in factories. Adult males registered as unemployed at State Labour Exchanges numbered 49,851 in March, 1939, 45,681 in March, 1940 and 22,866 in March, 1941. Many people of the hitherto non-wage-earning group have entered or returned to industry. The following comparative statement shows that during the past twelve months almost the entire increase in employment has been in factories and related to the expanding industrial war effort:-

EMPLOYMENT IN NEW SOUTH WALES.

(Excluding relief workers and men in the Armed Forces not on civil paysheets).

Mid-week of	ALL EMPLOYMENT.			EMPLOYED BY FIRMS WITH TEN OR MORE EMPLOYEES.						
	Total Employ- ment.	Private Employ- ment.	In All Factor- ies. ϕ	Mines.	Retail Trade.	Whole- sale & Com- merce.	Offices & Com- merce.	Ship'g & Rd. Trnspt.	Person- al Ser- vices. x	Other Indus- tries.
	Number of persons employed - Thousands.									
March, 1939	834.1	683.1	230.6	21.3	51.3	25.7	27.6	21.0	29.2	19.2
August, 1939	831.8	680.3	228.7	21.7	51.3	25.4	27.1	20.7	30.1	18.5
March, 1940	865.7	712.3	244.0	21.0	52.1	26.0	29.3	22.2	30.9	18.3
February, 1941	895.8	735.7	262.2	20.9	53.5	26.0	29.8	21.0	30.9	18.1
March, " "	903.8	742.0	269.2	21.0	52.5	26.4	29.5	20.7	31.3	18.4
Increase: Mar., 1941 over Aug., 1939	8.7	9.1	17.7	(-3.2	2.3	3.9	8.9	...	4.0	1.3
" Mar., 1940	4.4	4.2	10.3	...	0.8	1.5	0.7	(-5.8	(-0.5	0.5

ϕ Includes working proprietors. x Includes hospitals, professions, amusements, hotels, etc. Minus sign (-) denotes decrease.

Manufacturing
Industries.

The index number of factory employment (average, 1928-29 = 100) was 149 in March, 1941 compared with 135 in March, 1940. As indicated in the foregoing table, the number of persons at work in factories has increased by 17.7 per cent. during the war period and the rate of increase is accelerating. In successive months since September last increases were 2,400; 3,400; 3,000; 6,400 (Dec.); decrease 4,100 (Jan.); 4,000 and 7,000. The increase is greatest in factories making fighting equipment, but local and oversea Empire defence needs have made demands upon the chemical, textile and clothing and food and drink industries. Large orders for clothing and footwear for the Indian defence services are being executed. In factories with ten or more employees

about 60 per cent. of the increase in employment since August, 1939 was in the metals industries group, while chemicals, textiles and clothing and food and drink factories accounted for another 32 per cent. of the increase. In these larger factories employment in the industrial metals group has more than doubled since 1935.

EMPLOYMENT IN FACTORIES WITH TEN OR MORE EMPLOYEES - N.S.W.

Middle week of -	Cement, Bricks, Glass &c.	Chem- icals.	Indust- rial metals.	Textiles and Clothing.	Food and Drink.	Wood- work- ing &c.	Paper & Print- ing.	Rubber.
Number of Employees - Thousands.								
March, 1935	7.42	5.24	40.03	31.18	23.29	7.93	11.74	2.70
August, 1939	11.51	7.24	61.78	36.96	27.96	9.89	14.81	3.68
March, 1940	11.99	8.55	66.30	39.61	31.05	9.95	15.15	4.13
February, 1941	12.74	8.76	79.59	40.99	30.97	10.18	14.29	4.10
March, 1941	12.92	9.06	82.73	41.41	32.89	10.39	14.48	4.30

In 42 large factories, some of which are directly engaged in and others supplying materials for war production sales made in February, were £4.07 m. in 1941, £3.47 m. in 1940 and £3.07 m. in 1939. In these factories in the year ended Feb., 1941 employment increased by 11.7 per cent. and weekly payrolls by 20 per cent., the result of higher wages, overtime working and the greater number employed.

Technical training facilities have been extended but the diversion of labour from non-essential civilian production to war industries is likely to increase. Expansion of existing and establishment of new war industries is proceeding. Building permits for new factories in Sydney and suburbs in Sept.-Mar., were 32 per cent. greater in value in 1940-41 than in 1939-40. The first keel of 9,000 ton cargo vessel in a projected programme of 60 merchant ships is expected to be laid in a few weeks. The heavy iron and steel industry is working to capacity and the production of coal is probably at a record level. In Sydney and suburbs the consumption of gas and electricity in March, 1941 was 10 per cent. greater than in March, 1939 or 1940, attributable to increased industrial activity, with many factories working two and three shifts on war work.

Index of Consumption of Gas and Electricity, Sydney.	March:	1929.	1937.	1939.	1940.	1941.
		102	115	130	130	143

Transport. Railway, tramway and bus traffic has increased as a result of generally buoyant economic conditions and financial results of these services in recent months were the best ever obtained.

New motor sales in March were 238 a week in 1941 compared with 374 in 1940 and 682 in 1938. Reduced petrol ration scales for private (not business) uses operated from April 1, and a further cut in the ration will be made on June 1, 1941.

One grade only of motor spirit was obtainable as from May 1, 1941. Transfer to producer-gas equipment has been slow, but standards for units and for charcoal have been established, technical training in servicing and operating units has been given and there are now prospects of a substantial change-over, particularly of heavy commercial vehicles. After a small increase in Dec. Qr., 1940 the number of registered motor vehicles tends to decrease again. Rejection for re-registration of unroadworthy vehicles contributed to the decreases over the war period of 9,757 cars and 1,934 lorries and vans up to 31st March, 1941. Some private trucks are being commandeered for the Army.

Government Railways (N.S.W.)			Trams and Buses (Sydney & Newcastle)		Motor Vehicles. (a)		
Passen- gers.	Goods Ton Mileage.	Working Surplus (b)	Passen- gers.	Working Surplus (b)	New Motor Sales.	On Register.	
	Eight months ended February.				March	At 31st March.	
	mill.	mill.	£000	mill.	£000	No. per week	000
1938	124.9	1,274	4,399	243.6	533	682	201.8
1939	126.5	1,198	3,283	247.2	429	556	214.0
1940	118.9	1,341	4,581	250.7	488	374	214.6
1941	125.5	1,543	5,593	266.8	627	238	209.9

(a) Excludes cycles, trailers and defence vehicles.

(b) Excess of earnings over working expenses exclusive of interest, etc. charges.

Trade and
Commerce.

In wholesale and retail trade the indications are that allowing for higher prices the turnover of goods has remained fairly constant. Some classes of civilian trade have decreased, and there has been an offset (in wholesale trade) by Government purchases of military requirements. The index number of bank clearings in Sydney in March Qr., was 110 in 1941 compared with 107 in 1940 and 93 in 1939; the circulation of money has been increased by war expenditure and, compared with the pre-war year, receipts from exports (including payment for all wool as appraised) have increased. However, this has not resulted in any significant increase in consumer purchasing. Transactions in real estate have increased a little in recent months but in March Qr., 1941 sales were 15 per cent. less and mortgages were 33 per cent. less than in March Qr., 1938.

Bank Clearings. (Sydney)		Wholesale Trade. (N.S.W.)		Retail Trade. (Sydney)		Real Estate. (N.S.W.)	
Amount.		Sales.		Sales.		Sales. Mortgages.	
March.	March Qr.	January	Sept.-Jan.	Dec.-Feb.		March Quarter.	
£mill.	£mill.	£mill.	£mill.	Index No. 1931 = 100.	£mill.	£mill.	£mill.
1938	82.6	225.7	14.21	81.48	142	8.95	5.68
1939	80.5	222.5	13.24	80.28	145	8.51	5.66
1940	87.8	259.3	16.33	90.86	147	6.87	4.59
1941	89.4	261.7	15.83	86.97	150	7.62	3.80

Particulars of the oversea trade of the State are not published. Shipping difficulties are rendering Australian export prospects very uncertain. Imports show a downward trend. A new list of restrictions on imports of goods from non-sterling countries operating from April 1, 1941 brought the total excluded on 1938-39 import values to about £4.14 million.

FINANCE. The Australian Loan Council considered Commonwealth and State loan requirements in April, cut the former appropriation of £12 million for public works to £8 million and approved of a loan issue of £35 million (£8m. for works, £17m. for local and £10m. for oversea war expenditure) which was made on April 30. The loan is for 5 years at $2\frac{1}{2}$ per cent. or for bonds maturing 1950-56 at $3\frac{1}{4}$ per cent. with interest subject to full Commonwealth taxation. The rate for the shorter term is $\frac{1}{4}$ per cent. lower than that offered for the Dec., 1940 loan.

Banking. The Australian banking system is very liquid. Deposits have increased, advances have decreased and though the banks have added to their holdings of Government securities the cash ratio remains high. Between March Qrs. 1940 and 1941 private deposits in private trading banks in New South Wales increased by £11.7 m. and advances decreased by £5.7 m. Deposits exceeded advances by £26.8 m. in March Qr., 1941, contrasting with an excess of £3.5 m. of advances over deposits two years before.

Savings. Deposits in savings banks have increased rapidly - by £4,626,000 in the nine months ended March, 1941 and in the eight months ended February net purchases of war savings certificates were £3,010,000. In addition, interest-free loans totalling £2 m. had been subscribed.

Quarter.	Private Business in Private Trading Banks, N.S.W.					Deposits in Savings Banks. £million (at end of Qr.)	Net Purchases of War Savings Certificates.
	Fixed Deposits. £m.	Current Deposits. £m.	Total Deposits. £m.	Advances. £m.	Excess of Dep. over Adv. £m.		
Mar. 1939	64.5	51.5	116.0	119.5	(-3.5)	86.3	...
" 1940	65.9	60.4	126.3	116.9	9.4	86.8	.03
Dec., "	66.0	67.7	133.6	115.4	18.2	84.9	5.09
Mar., 1941	66.5	71.5	138.0	111.2	26.8	86.7	5.45 x

x At 28th February, 1941.

Stock Exchange. The share market weakened in April in reaction to adverse war developments and the trend of share prices in New York. There was no precipitate selling and values remained well above those in June-Sept., 1940. The market steadied in the latter part of the month and at its close average values were about $5\frac{1}{2}$ per cent. lower than at the end of March, 1941.

Average value of ordinary company shares (Sydney) Par = 100. 1940: Mar. June. 1941: Jan. Mar. Apr. 174 151 174 171 (167)

Interest Rates. Bond prices showed only minor reaction. On loans issued prior to March, 1940 interest is subject to Commonwealth taxation at rates not exceeding those imposed by the Income Tax Acts, 1930; subsequent issues are taxable at full current rates. Recent trends in rates of interest on Government securities may be illustrated as follow:-

COMMONWEALTH LOANS WITH MATURITY OF FIVE AND UNDER TEN YEARS.

	1940		1941		Net redemption yield - per cent. per annum. ¢				
	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	
Fully Taxed	3.16	3.17	3.18	3.19	3.21	3.21	3.14	3.21	
Part Taxed	3.14	3.04	3.02	3.04	2.88	2.98	2.94	3.07	

¢ Calculated on earliest date of maturity.

On private first mortgages registered in March Qr. 1941 weighted average rates of interest were 5.0 per cent. on rural and 5.5 per cent. on urban mortgages. Rates have returned to the level of 1938 and are only about one-quarter per cent. above the lowest of the post-depression period.

Rural First Mortgages.

Urban First Mortgages.

1937. 1938. 1939. 1940. 1941. 1937. 1938. 1939. 1940. 1941.

Weighted average rate of interest - per cent. per annum.

March Qr.	5.1	5.0	5.1	5.4	5.0	5.2	5.3	5.6	5.7	5.5
Cal. Year.	5.0	5.0	5.2	5.1	-	5.3	5.4	5.6	5.6	-

Public Finance. Improved railway financial results and the general increase in economic activity have led to a substantial increase in the State revenue. In the nine months ended March 1941 the budgetary position was £3,036,000 better than in the corresponding period of 1939-40. This financial year the State is providing £2,144,000 for debt sinking fund, compared with £1,972,000 in 1939-40. A Premiers' Conference is to be held in June to consider proposals for uniformity in State taxation in order to open the way for increased tax revenue for the Commonwealth for war expenditure.

New South Wales Government.

Nine Months ended March.

	1937.	1938.	1939.	1940.	1941.
Revenue £million	37.88	40.74	40.41	42.36	46.99
Expenditure "	38.94	42.74	44.26	46.72	48.32

BUILDING. The maximum amount permitted to be expended on any building without approval under the Building Control Regulations was reduced on April 23, 1941 from £5,000 to £3,000. Building is less active than before the war but is still considerable. Government contracts partly offset decreased private building:-

	1939	1940.		1941
	Sept.Qr.	Mar.Qr.	June Qr.	Mar. Qr.
Private Permits £000	3,531	2,324	2,979	2,814
Public Contracts £000	487	73	245	318
Total £000	4,018	2,397	3,224	3,162
				3,571
				2,357
				258
				824
				3,829
				3,181

Building permits for factory premises, brick houses and flats are maintained at a high level but have decreased for wood and fibro houses, shops, hotels, etc. and "other" buildings.

PRIVATE BUILDING PERMITS GRANTED - SYDNEY AND SUBURBS.
Includes alterations and additions. Government buildings are excluded.

	Brick Houses.	Wood &c. Houses.	Flats. (a)	Hotels &c. (b)	Shops (c)	Factories	Other Buildings.	Total.
Value of Permits granted - £ Thousand.								
Mar.Qr. '38	1,108	180	726	60	84	264	684	3,106
" '39	1,087	223	569	161	134	347	335	2,856
" '40	1,061	147	395	185	99	218	219	2,324
" '41	1,266	142	535	16	62	206	130	2,357

Including (a) conversions to flats (b) shops with dwellings and (c) public garages.

Dwellings proposed in March Qr. numbered 2,175 in 1941, 1775 in 1940, 2,307 in 1939 and 2,547 in 1938. In March Qr., 1941 in comparison with March Qr., 1939 houses proposed decreased by 10 per cent. and there was a negligible decrease for flat, etc. dwellings. The latter class may be affected by the more stringent control of building in prospect.

RURAL INDUSTRIES. April, 1941 was a very dry month in inland areas and rain is needed in central and southern wheat districts to facilitate wheat sowing and early crop development. Pasturage generally is ample, but considerable coastal dairying areas need further rain and butter production has decreased; a general shortage of butter (permitting of interstate imports) has been declared in New South Wales. Inland potato prospects are the best for years; a yield of 65,000 tons is expected compared with an average of 38,334 tons in the preceding five seasons.

After being cut to 144,000 tons the British meat contract (with Australia) has been increased to 198,000 tons. Slaughtering of lambs for export had been suspended from April 21 to July 31, 1941. As pastures are available lambs can be held for wool for which payment on appraisement is guaranteed by the British Government. To cope with delays in shipment cold storage space for perishable produce is being increased.

The decision of the British Government to purchase the Australian exportable surplus of canned fruits (about 1.3 m. cases valued at over £1 m.) will benefit the fruit industry. Apple and pear growers are faced with the task of marketing practically all fresh fruit in Australia, where formerly only about one half the crop was consumed.

THE WORLD WHEAT SITUATION.

Prospects at present are favourable in principal exporting countries and uncertain in Europe. World trade is lightest for nearly a century and the statistical position seems unlikely to improve. Canada is curtailing wheat acreage drastically. Prices are firm in London, barely steady in Winnipeg and have risen in Chicago. Trading locally is very quiet. A few sales of wheat for export flour have been reported.

World Production 1940-41.

Particulars given in earlier issues indicate world wheat production in 1940-41 at about 4,070 million bushels (excluding Russia, China etc.) Revisions reported in the last few weeks were unimportant. The harvest of 1940-41 was above the average for the five year periods ended 1933-34 and 1938-39 though not as great as in 1938-39 or 1939-40:-

WORLD PRODUCTION OF WHEAT.
(Excluding Russia, China, Iran and Iraq.)

	<u>Av. 1929-30</u> <u>to 1933-34.</u>	<u>Av. 1934-35</u> <u>to 1938-39.</u>	<u>1938-39.</u>	<u>1939-40.</u>	<u>1940-41.</u> (Estimation)
Mill. bus.	3,800	3,774	4,605	4,270	4,070

Latest estimates of production in Australia in 1940-41 compare with averages for the ten seasons ended 1939-40 as follow:-

WHEAT PRODUCTION - AUSTRALIA, 1940-41 and 1931-40.

	<u>N.S.W.</u>	<u>Vic.</u>	<u>S.Aust.</u>	<u>W.Aust.</u>	<u>Qld.</u>	<u>Tas.</u>	<u>A.C.T.</u>	<u>Total.</u>
1940-41 Mill. bus.	24.4	14.0	18.0	21.6	5.6	.2	.02	83.8
Av. Ten years ended 1939-40 "	60.1	40.4	36.5	36.0	4.4	.3	.04	177.7

Statistical Position.

Some months ago it was expected that world exportable end-of-season stocks of wheat would be about 1,100 million bushels. It is now apparent that the quantity will be more like 1,200 m. bus. This is nearly four times Broomhall's revised estimate of wheat shipments during the present season. His first forecast was 440 m. bus. and his latest (made last month) is 320 m. bus. Not in any year since the middle of last century was the international movement of wheat on such a small scale. Canada alone expects to have 576 m. bus. to carry over; there may be another 300 m. bus. in the United States and Argentina, too, may have a substantial exportable surplus on July 31, 1941.

There is no prospect of wheat stocks diminishing while European markets remain closed to oversea supplies. Curtailment of wheat sowing may check the rate of accumulation, but, because of the disruption to internal economies which such a step would entail, restrictions seem unlikely to be so drastic as to prevent current import requirements being satisfied from current production.

Prospects, 1941-42.

Wheat production prospects in Axis-controlled Europe hardly bear at all upon the world statistical position, but, have great political significance. It is reported that Germany is forcing farmers in occupied countries to leave no suitable areas uncultivated and is releasing prisoners of war for farm work. There is little detail as to wheat areas. Cold and wet weather in the west and north hampered spring sowing and retarded growth of winter sown crops in Europe. Abandonment of winter sown areas is said to be above average in France and Italy, and the Rumanian wheat acreage is reported to be smaller than usual.

Spain and Portugal experienced severe winter damage. Reports regarding Russian crops are conflicting. Sweden's area under winter wheat showed a small increase - from 536,000 acres to 569,000 acres.

/In major.....

WORLD WHEAT SITUATION (Continued)

In major exporting countries prospects appear favourable. The United States first estimate for winter wheat (to be harvested in the next two or three months) is 616 m.bus. compared with 589 m.bus. in 1940. The spring wheat acreage (17,140,000 acres) is slightly smaller than in 1940. Bountiful rains fell in U.S. wheat belts last month. In Canada the spring wheat belt was in good condition for sowing, but the acreage is to be greatly reduced (see under National Wheat Policies). In Argentina a spell of favourable weather for field work was broken by heavy rain late in April which will start crops off with a good reserve of moisture. Except in Western Australia (where dry conditions were relieved only in parts of the wheat belt last week) conditions were satisfactory for crop preparations, but the need of rain in central and southern wheat districts of New South Wales is becoming urgent.

National Wheat Policies. Canada. On March 12, 1941 the Canadian Government's wheat policy was announced. The visible supply of Canadian wheat on July 31, 1942 is not to exceed that on 31st July, 1941. To that end deliveries of 1941 wheat are to be limited to 230 m.bus. (i.e. less than one-half the large harvest of 1940 and about two-thirds average production). A quota system (with quotas based on production from 65 per cent. of the 1940 acreage) with regulated deliveries will be used, and an initial payment will be made to growers on delivery equivalent to 70 cents a bus. for No. 1 Northern wheat. Storage payments for wheat held on farms will be made to growers (as in 1940) on the undelivered portion of the 230 m. bus. The existing levy on wheat used locally is to be maintained.

Mr. Gardiner (Minister for Agriculture) stated frankly that this plan meant that 35 per cent. of the 1940 wheat acreage would have to go out of wheat production. He placed \$325 m. as the farm income needed to maintain the prairie economy, and said it was the Government's aim to ensure an income of that order. "It is not our intention to pay farmers for not growing wheat, or to compel them to reduce acreage", he said. "It is our intention to pay them to do something other than grow wheat". Payments to be made included:-

For wheat acreage:-

- (a) summer-fallowed \$4 p.ac.
- (b) sown to coarse grains in the spring or rye in the autumn on land not summer-fallowed \$2 p.ac.
- (c) sown to grass or clover (and not also sown to coarse grains or summer-fallowed) - and if still seeded down to grass on 1.7.42, another \$2 p.ac.
- (d) treated as per (b) in 1941 and under grass clover or rye on 1.7.42 another \$2 p.ac.

The sums obtainable in these alternative substitute uses of wheat lands are expected to total between \$30 m. and \$36 m. and are expected to be sufficient to offset in terms of income the enforced curtailment in wheat deliveries if farmers make the necessary adjustments in the form of farming enterprise pursued.

Other Countries. Details of the modifications in United States agricultural policy (hinted in B.S.1941/4A, p.7) are not yet available. Brazil continues to follow a policy designed to reduce her dependence upon imported wheat. Existing provisions - free seed to growers, enforced inclusion of minimum amounts of maize, rice and manioc flours with wheat flour for domestic use - are being continued, and growers have now been assured of a guaranteed price period of twelve in place of three years. Egypt has increased wheat advances in order to encourage greater production of wheat.

Australian Wheat Position. The registration of wheat growers in Australia and the licensing of wheat areas in 1941-42 has proceeded; farmers were permitted to prepare for sowing areas equal to the average sown in the preceding four years. Local committees consisting of a representative of an appropriate State Government department and wheat growers nominated by wheat-growers' associations are to be appointed to ensure close supervision of the wheat stabilisation scheme.

Particulars disclosing the wheat situation in Australia have not been issued by the Australian Wheat Board recently. On April 30, 1941, however, a State authority said that "Australian wheat was being shipped to the East and there would not be 'overmuch' carry-over by the time the next harvest was due." According to trade reports, because of difficulty in obtaining shipping to move Australian wheat, United States higher priced wheat has been placed in the Orient where ordinarily the trade would have gone to Australia.

Trade. The small volume of world trade in wheat is reflected in measures taken in principal exporting countries to provide more storage space for wheat. Storage facilities have been increased in Australia; construction of another 50 million bushels of temporary elevator space in Fort William-Port Arthur (Canada) was announced on Feb. 21, and United States mills have been building new silos running into millions of bushels capacity.

The British Cereals Import Committee has been buying Canadian and Argentine grain freely in the last month or two; some $3\frac{1}{2}$ m. bus. of wheat (Canadian and Argentine) had gone or was afloat to Spain on April 10, 1941, and Spain was reported to be enquiring for 500,000 tons (18.4 m. bus.) of wheat from Argentina. Other sales reported include United States Pacific North West wheat to the Orient, United States wheat to Mexico (with subsidy of 12-15 cents a bus.) and Indian wheat to Greece.

Notwithstanding Canada's favoured position for marketing, exports from there this season up to mid-March were 73.5 m. bus. compared with 93.9 m. and 120 m. bus. in the corresponding periods of 1939-40 and 1938-39, respectively.

Flour extraction rates have been raised in the United Kingdom from 73 to 75 per cent. and in Eire from 90 to 95 per cent. It is reported that all Canadian flour sent to Britain is being fortified with synthetic thiamin which has the same properties as natural vitamin B1, and that in the United States flour is being vitaminised even more heavily than in Britain. All white bread made in Britain is now required to be fortified.

As reported by the trade world exports averaged nearly 8 m. bus. a week during the five weeks ended about April 26, 1941. Earlier this year shipments were running at rather less than 5 m. bus. - the recent increase probably reflects renewed British wheat importing activity and the sales to Spain, etc., and may prove a transitory fillip.

Prices. Futures quotations in Chicago continued rising early in April and then fluctuated within a narrow range. For the month the average of 91 cents a bus. for May options was $4\frac{1}{4}$ cents and 10 cents a bus. higher than in March and Feb., 1941, respectively and the highest since May, 1940. This was principally the result of the relative scarcity of spot wheat; farmers chose to relinquish title to wheat (leaving it in Government hands) rather than to redeem loans advanced on the wheat. The favourable domestic production prospects had little influence on the market. Simultaneously, prices in Winnipeg showed little movement and averaged $76\frac{1}{4}$ cents a bus. or about a cent a bus. lower than in March, 1941.

On the London Baltic Exchange quotations have shown only minor changes during this year. The prices are arbitrary, but as they reflect the prices at which the British Government (the only really big buyer now operating) is obtaining its requirements they are perhaps the most satisfactory guide to values. The trend of prices in London was as follows:-

PRICES OF WHEAT PARCELS - LONDON BALTIC EXCHANGE.

	Apr., 1938.	Apr., 1939.	Apr., 1940.	Feb., 1941.	Mar., 1941.	Apr., 1941.
Shillings and pence per Qr. (8 bus.) (End of Month)						
No. 1 Manitoba	46 4 $\frac{1}{2}$	27 0	32 3	33 0	32 1 $\frac{1}{2}$	32 0
Rosafe	37 6	21 0	n.q.	20 6	20 4 $\frac{1}{2}$	20 9
South Australian	33 0	23 3	27 9	27 6	27 6	27 6

WORLD WHEAT SITUATION (Continued)

Local Trade. Intermittently the local market was livened by purchases of wheat for gristing for export flour but generally trading has been very quiet. No wheat is available for export from New South Wales. For wheat for export flour prices are fixed by the Australian Wheat Board on application. There was no change in the Board's price for wheat for local flour which has been at 3s.11 $\frac{1}{4}$ d. per bus. f.o.r., Sydney since Aug. 5, 1940. Requirements are still being satisfied from No. 2 Pool (1939-40 wheat). The price compares with 3s.11d. a bus. a year ago and 2s.5d. a bus. in April, 1939. The course of wheat prices in Sydney was:-

PRICES OF BULK WHEAT - SYDNEY. (a)

Monthly averages - per bushel ex trucks, Sydney.

Excluding bounty and including storage charges when payable.

Year ended November	Average for Season.	Dec.	Jan.	Feb.	Mar.	Apr.
		s. d.				
1933-34	2 9	2 7	2 6	2 5	2 6	2 6
1936-37	5 3	5 4	5 2	5 0 $\frac{1}{2}$	5 4 $\frac{1}{2}$	5 5
1938-39	2 5	2 6	2 6	2 6	2 4	2 5
1939-40	3 5 $\frac{3}{4}$ (b)	3 5	3 9 $\frac{1}{2}$	3 9 $\frac{1}{2}$	3 9 $\frac{1}{2}$	3 11
1940-41	- (b)	3 11 $\frac{1}{4}$				

(a) Shippers' offers ex trucks, Sydney. From Dec., 1939, Aust. Wheat Board's price for wheat for local flour.

(b) Not finalised. Further pool payments are expected.

Growers have received about 2s.10d. net in No. 2 Pool and a first advance equal to about 2s.5d. net a bus. in No. 4 Pool at country sidings.

Flour. Occasional sales of flour for export have been made but the relative scarcity of offals, although demand is relatively light, suggests a lull in oversea disposals. The price of flour in Sydney has been unchanged at £12.13s. a ton since Nov. 14, 1940, inclusive of tax at the rate of £2.8s.10d. a ton (from Oct. 23, 1940).